

**Decision Maker:** Resources Portfolio Holder

**For pre-decision scrutiny by the Executive & Resources PDS  
Committee on 6th September 2012**

**Date:** 6th September 2012

**Decision Type:** Non-Urgent Executive Non-Key

**Title:** CAPITAL PROGRAMME - 1ST QUARTER MONITORING  
2012/13 & FINAL OUTTURN 2011/12

**Contact Officer:** Martin Reeves, Principal Accountant (Technical & Control)  
Tel: 020 8313 4291 E-mail: martin.reeves@bromley.gov.uk

**Chief Officer:** Director of Resources

**Ward:** All

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1. Reason for report

On 25th July 2012, the Executive received the 1st quarterly capital monitoring report for 2012/13 and agreed a revised Capital Programme for the four year period 2012/13 to 2015/16. The report also covered any detailed issues relating to the 2011/12 Capital Programme outturn, which had been reported in summary form to the June meeting of the Executive. This report highlights in paragraphs 3.1 to 3.2 changes agreed by the Executive in respect of the Capital Programme for the Resources Portfolio. The revised programme for this portfolio is set out in Appendix A.

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2. **RECOMMENDATION(S)**

**The Portfolio Holder is asked to confirm the changes agreed by the Executive in July.**

### Corporate Policy

1. Policy Status: Existing policy. Capital Programme monitoring and review is part of the planning and review process for all services.
  2. BBB Priority: Excellent Council.
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### Financial

1. Cost of proposal: Estimated cost N/A
  2. Ongoing costs: N/A.
  3. Budget head/performance centre: N/A (Capital Programme)
  4. Total current budget for this head: £6.6m for the Resources Portfolio over four years 2012/13 to 2015/16
  5. Source of funding: Capital grants, capital receipts and earmarked revenue contributions
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### Staff

1. Number of staff (current and additional): 0.25 fte
  2. If from existing staff resources, number of staff hours: 9 hours per week
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### Legal

1. Legal Requirement: Non-statutory - Government guidance.
  2. Call-in: Call-in is applicable
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments: N/A

### 3. COMMENTARY

#### Capital Monitoring – variations agreed by the Executive on 25<sup>th</sup> July 2012

3.1 A revised Capital Programme was approved by the Executive in July, following final outturn figures for 2011/12 and a detailed monitoring exercise carried out after the 1st quarter of 2012/13. The base position was the revised programme approved by the Executive on 1st February 2012, as amended by variations approved at subsequent Executive meetings. All changes on schemes in the Resources Portfolio Programme are itemised in the table below and further details are included in paragraph 3.2. The revised Programme for the Resources Portfolio is attached as Appendix A.

Capital Expenditure	2011/12	2012/13	2013/14	2014/15	2015/16	TOTAL
	£000	£000	£000	£000	£000	£000
Approved Capital Programme (01/02/12)	2,913	1,430	2,335	50	-	6,728
Add: 95 High Street, Bromley-acquisition (Executive 07/09/11 - met from Property Investment Fund)	-	1,550	-	-	-	1,550
Add: Former Chartwell Business Centre – improvements works (Executive 07/03/12)	-	570	-	-	-	570
Add: Block provision c/fwd from 2011/12 (Executive 20/06/12)	-25	25	-	-	-	-
Rephasing from 2014/15 to 2015/16 – digital print strategy	-	-	-	-25	25	-
Net underspends in 11/12 rephased into 12/13	-607	607				-
<b>Revised Resources Programme</b>	<b>2,281</b>	<b>4,182</b>	<b>2,335</b>	<b>25</b>	<b>25</b>	<b>8,848</b>

#### 3.2 Scheme Rephasing

In reports to both the June and July meetings, the Executive was informed of the final outturn for capital expenditure in 2011/12 and noted that the overall level of slippage into later years (some £6.9m) was significantly lower than in previous years. Slippage of capital spending estimates has been a recurring theme over the years and Members were pleased to note that, following a review of the system for capital monitoring and for estimating the phasing of expenditure, carried out after the 2010/11 final outturn, a more realistic approach towards anticipating slippage was taken in setting the revised estimates in February. Some £607k of the overall slippage from 2011/12 into 2012/13 related to Resources Portfolio schemes and this is analysed in the following table. At this early stage in the year, only one other rephasing opportunity (£25k from 2014/15 into 2015/16 on the digital print strategy scheme) has been identified.

Scheme slippage from 2011/12 into 2012/13	2011/12 Budget (Feb 12)	2011/12 Outturn	2011/12 Under/ Over spend	2012/13 Budget (Feb12)	Slippage from 2011/12	2012/13 Revised Budget
	£000	£000	£000	£000	£000	£000
Office accommodation strategy	1,930	1,619	-311	-	311	311
Former Chartwell Business Centre	-	44	44	870	-44	826
Financial systems upgrade	70	67	-3	167	3	170
Civic Centre cabling renewal	189	151	-38	-	38	38
Server virtualisation	165	132	-33	-	33	33
Increasing network security	178	155	-23	-	23	23
Joint Web platform	68	8	-60	98	60	158
Children's IT/Performance Management	258	75	-183	150	183	333
<b>TOTAL SLIPPAGE</b>			<b>-607</b>		<b>607</b>	

## 2011/12 Capital Programme outturn – other issues (Post Completion Reviews)

3.3 Under approved Capital Programme procedures, capital schemes should be subject to a post-completion review within one year of completion. Following the major slippage of expenditure at the end of 2010/11, Members confirmed the importance of these as part of the overall capital monitoring framework. These reviews should compare actual expenditure against budget and evaluate the achievement of the scheme's non-financial objectives. While no post-completion reports are currently due for completed Resources Portfolio schemes, this quarterly report will monitor the future position and will highlight any future reports required.

### 4. POLICY IMPLICATIONS

4.1 Capital Programme monitoring and review is part of the planning and review process for all services. The capital review process requires Chief Officers to ensure that bids for capital investment provide value for money and match Council plans and priorities.

### 5. FINANCIAL IMPLICATIONS

5.1 These were reported in full to the Executive on 25<sup>th</sup> July 2012. Changes agreed by the Executive for the Resources Portfolio Capital Programme are set out in the table in paragraph 3.1.

<b>Non-Applicable Sections:</b>	Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	Departmental monitoring returns June 2012. Approved Capital Programme (Executive 1/2/12). Capital Programme Outturn 2011/12 report (Executive 20/6/12) and Q1 monitoring report (Executive 25/7/12).